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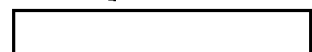
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PORTUGAL

The leader of Portugal's anti-Communist ruling faction, Major Melo Antunes, has warned that if the present government of Prime Minister Pinheiro de Azevedo falls, the country will be plunged into civil war.

Antunes, interviewed by a French news magazine, said that the Communist Party is preparing to seize power if the government falls and that the result of the ensuing struggle would be a return to fascism. Antunes said that the Communists are engaged in a campaign to subvert the armed forces and paralyze the state, and will wait until the country becomes ungovernable to make their move. Government paralysis, he said, has now reached an advanced stage.

Socialist Party leader Mario Soares seconded Antunes' attack on the Communists yesterday at a Socialist rally in Lisbon. He called on the Communists to leave the government and said that the non-Communist ministers had no intention of resigning. Soares vowed that the Socialists would take up arms, if necessary, to defend democratic freedoms. Like Antunes, Soares blamed the present government impasse on Communist subversion of the military, but the Socialist leader also severely criticized President Costa Gomes for allowing his actions to be too easily influenced by pro-Communist demonstrations.



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So far, the government's demand that Costa Gomes restore authority in the military has had no result. When the government's demand was put before the Revolutionary Council last week, the council not only criticized the government, but also revived a scheme to establish direct ties between the military and the people, an idea that is anathema to the democratic parties. The only apparent concession made to the government—the replacement of extreme leftist general Otelo de Carvalho as commander of the Lisbon Military Region—was frustrated on Saturday when Carvalho's successor withdrew his name from consideration. The Revolutionary Council will take up the matter again when it meets later today.

The government may be seriously handicapped in the present struggle by a lack of unity in its own ranks. Further evidence of such a problem surfaced in the Antunes interview, in which he called on the Socialist Party to rid itself of right-wing elements. He said that in recent months the country had been sliding to the right, evidently implying that his Socialist government partners had been responsible.

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To add to its problems, the government will face today a two-hour work stoppage, during which Communist-led workers will again call for the government's resignation and replacement by a regime of the more extreme left.

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FINLAND

Communists and Social Democrats turned down formateur Martti Miettunen's proposal for a new government on November 20.

Miettunen, who was named government formateur by President Kekkonen on October 29, was given the task of assembling a broadly based government to deal with Finland's difficult economic problems. He immediately began talks with the Communists, Social Democrats, and three centrist parties.

Neither the Communists nor the Social Democrats have closed the door on future negotiations. The Communists, however, are deeply divided and may not be approached again. The Social Democrats are more likely to join a government eventually. They suffered a setback in the election two months ago and probably would welcome more time to reorganize.

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LEBANON

Lebanon's three-week-old cease-fire collapsed over the weekend. The large Christian and Muslim militias again became involved in the fighting, and sustained clashes took place in the Beirut suburbs and the city center. Fighting was also reported in the northern port of Tripoli and in the eastern town of Balabakk.

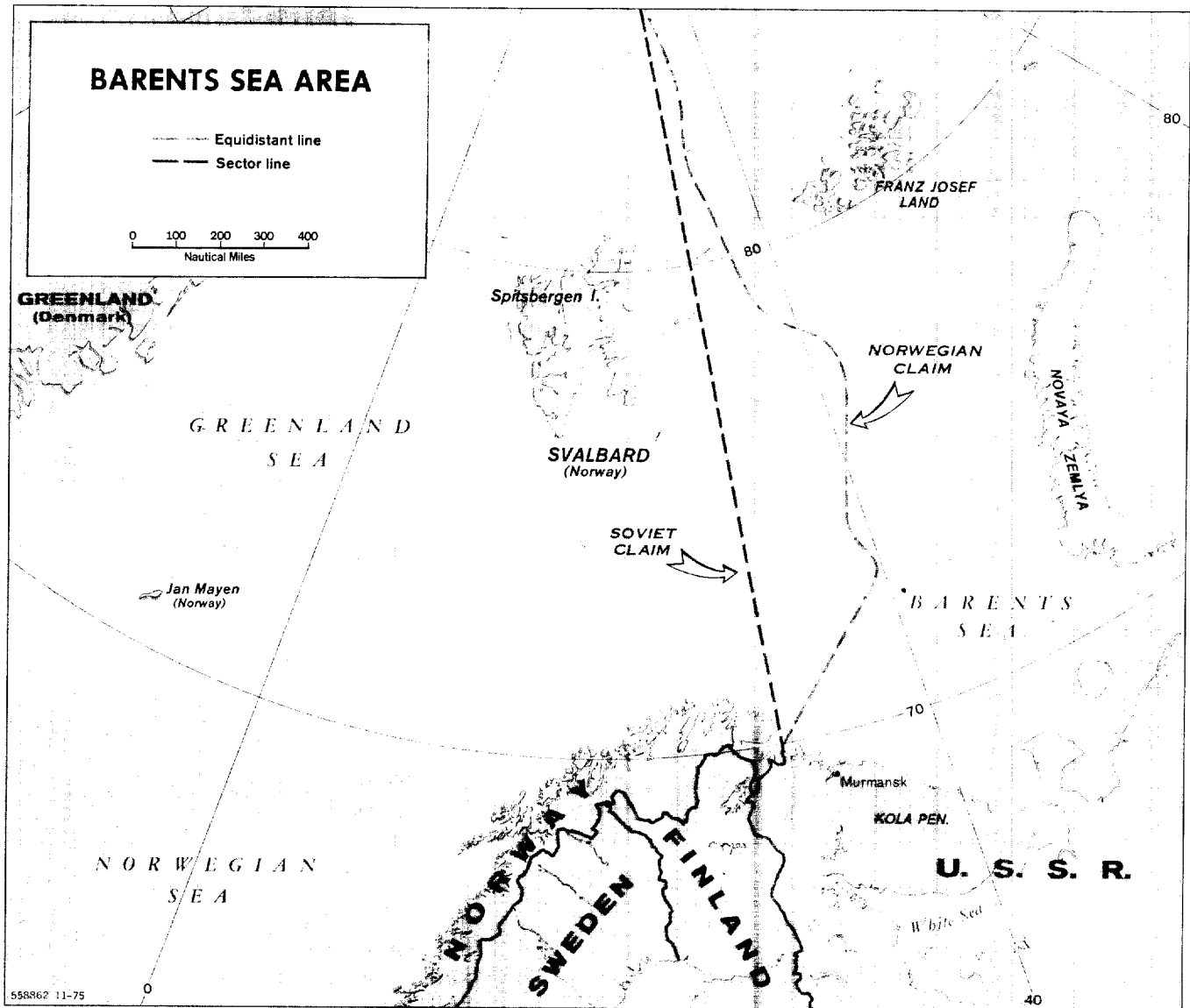
The resumption of heavy fighting has demoralized the country's politicians, who acknowledge that they have run out of ideas for negotiating peace. Prime Minister Karami—who has a reputation for remaining calm and optimistic at all times—stated on Friday that “Lebanon is on the verge of collapse.” This statement apparently was designed to shock the country's warring factions into stopping the fighting. Like Karami's call for a truce on Saturday, however, it had little effect.

President Franjiah had scheduled a major address for Lebanon's national day on Saturday, but canceled it at the last minute. This only underscored the President's loss of political initiative and his inability to deal effectively with the country's overwhelming problems. Franjiah's talks with Karami, to reach specific proposals for political and economic reforms, have not yet begun. The increased fighting makes it unlikely that the two will find common ground on any important issue.

The national dialogue committee, which is evenly divided between Christians and Muslims and includes almost all of the country's leading politicians, apparently will meet today despite the increase in fighting. Although unlikely to accomplish anything, the session will be important as an indicator of whether the country's principal political groups remain interested in negotiating a settlement. Some of the leftists and right-wing Christians on the committee are convinced that compromise is impossible, and have talked of withdrawing from the group. Several have boycotted past meetings.

A statement on Saturday in the newspaper of the right-wing Phalanges Party revealed the depth of Christian pessimism and indirectly threatened that the party might move toward partition as a solution to Lebanon's problems. The statement announced that the Phalangists are forming committees of party members to assume all civil functions, if necessary, to eliminate the social chaos and government impotence that have resulted from the left's “war of attrition.”

The principal Phalangist leaders still do not seek partition, however. They nevertheless recognize that any hint of movement in that direction would alarm Lebanese Muslims and leftists, and the Syrians. This heightened concern, the Phalangists calculate, may induce these opponents to make concessions in negotiations.



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NORWAY-USSR

Norway and the USSR will resume talks today on delineation of the continental shelf in the Barents Sea. The Soviets may not be anxious to resolve the issue because agreement would open the area to Norway's exploitation of the oil deposits there. The Soviets are also sensitive about the area because of its proximity to the militarily important Murmansk region.

The new round of talks, the first since a year ago, will take place in Oslo and last for a week. Both sides apparently will pick up where the last round left off. The Soviets advocate establishing a sector boundary running approximately due north from the land border between the two countries to the North Pole. The Norwegians want a median line zigzagging between Norwegian and Soviet islands to the pole.

The large sea area in dispute may have significant quantities of oil. More important to the Soviets is its proximity to the Kola Peninsula.



It is unlikely that the Soviets expect to accomplish more in the Oslo talks than to keep the boundary issue alive. The Norwegians are under some pressure to begin drilling for oil in the area, but the government generally seems content to continue its long-term policy of gradual oil development. The Norwegians have plenty of room for expansion in the North Sea oil fields far to the south of the disputed area.



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USSR-CHINA-ANGOLA

Soviet press coverage of the civil war in Angola remains extremely heavy. *Pravda*, *Izvestia*, and the Soviet news agency Tass are hammering away at alleged intervention by such outside forces as Chinese, South Africans, Zairians, Portuguese "fascists," and "American mercenaries" on behalf of the Popular Movement's rivals.

Moscow has reserved some of its strongest attacks for the Chinese. The Soviet press recently blasted Peking for its criticism of Moscow's "expansion" and "interference" in Angola. Reflecting Soviet sensitivity to these charges, the commentaries railed against Peking's own military, financial, and training support for anti-Movement forces, as well as its collusion with "Portuguese fascists, South African racists, and international monopolies."

Anti-Soviet vitriol has for some time been a standard feature of Chinese commentary on the Angolan conflict. Peking's effort to embarrass Moscow for its involvement with the Popular Movement has gained momentum, however, since the Chinese lowered the visibility of their involvement by withdrawing Chinese advisers from Zairian training programs for the National Front late last month. Since then, *People's Daily* has carried two articles lambasting Soviet meddling in Angola, and the traditional independence day editorial gave heavy play to the same theme.

The New China News Agency has also carried several lengthy reports focusing on the Soviet role in Angola. Its daily transmissions have been saturated with replays of anti-Soviet articles and statements from a number of African capitals. Chinese propagandists have had a field day rehashing the generally negative African reaction to Moscow's recognition of the Popular Movement in contravention of the Organization of African Unity's call for neutrality in the Angolan dispute. Peking has prominently identified itself as a strong supporter of the organization's policies. A recent *People's Daily* editorial said the organization's call for extension of recognition to all three Angolan liberation groups and for the rival factions to unite was both "explicit and correct."

Pravda on November 17 carried one step further Moscow's indignation over Chinese criticism, claiming that "in the course of recent contacts in Peking," the Chinese had made an approach to the US suggesting "paralleled or joint efforts" against the Popular Movement. In addition to raising the specter of Chinese-US collusion in Angola, *Pravda* replayed a British press report that "American mercenaries...veterans of Vietnam" are serving with the Movement's adversaries. The latter charge, while not new, had been absent from Soviet commentary for some time.

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ANGOLA

We cannot confirm recent press reports that Soviet military advisers have been captured in the fighting in Angola, but the Soviets clearly are becoming more involved in the civil war in the former Portuguese colony.

In a news release from Lusaka, Zambia, on November 21, the National Union claimed it had captured some Soviets, Cubans, Mozambicans, a Congolese, and a Brazilian mercenary. The captured foreigners were said to have been supporting Popular Movement forces defending the key northern resupply city of Malanje. National Front and National Union forces were reported to have taken the city from the Popular Movement last week, despite the latter's recent assertion that it retains control there.

Approximately 100 Soviet military advisers were believed to be assisting Popular Movement forces in the Luanda area at the time of independence on November 11. Their role probably included training Popular Movement troops in the use of modern weapons, giving advice on tactics and strategy against rival groups, and supervising the delivery, assembly, and maintenance of the large amount of Soviet weapons received just before independence.

Another group of Soviet technicians in Brazzaville and Point Noire, Congo, is probably servicing weapons bound for Popular Movement forces in Angola. This advisory group may now total 200.

Should the Popular Movement already have, or soon possess, MIG aircraft, the number of Soviet military personnel in Angola may rise to between 400 and 500. The Movement now has an inventory of Soviet equipment that includes unknown numbers of armored cars, armored personnel carriers, tanks, multiple rocket launchers, light field artillery, heavy mortars, and SA-7 defensive missiles. In addition, some 3,000 Cubans are assisting the Popular Movement.

Losses by the Popular Movement to its rivals during the past month underscore the necessity for urgent resupply of Soviet equipment. The active communist presence and involvement in Angola are likely to accelerate as Moscow and Havana seek to secure for the Popular Movement a controlling voice in the future of the former Portuguese territory.

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SPANISH SAHARA

Morocco and Mauritania have appointed assistant governors to work under the Spanish governor general in Spanish Sahara, as provided for by the recent trilateral agreement.

On Saturday, King Hassan named his royal cabinet director, Ahmed Bensouda, to be Morocco's representative in the provisional administration that will govern the territory until Spain withdraws next February. Bensouda is one of Hassan's most trusted advisers; his appointment underscores the importance the King attaches to Morocco's role in the new joint administration.

Bensouda, who will arrive in the territorial capital of El Aaiun today, will probably assume more responsibility than his Mauritanian counterpart, Abdallahi Ould Cheikh, whose most recent position was minister of public service and labor. Mauritania will presumably continue to follow the Moroccan lead on the territory.



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ARGENTINA

President Maria Estela Peron has, through several conciliatory gestures, temporarily reduced the pressure for her ouster.

The President met with her cabinet last week in an air of conciliation and announced plans to move the general election scheduled for March 1977 to October or November 1976. At the same time, she expressed full confidence in her ministers and singled out Interior Minister Robledo for special praise.

The meeting followed a period of withdrawal during which Peron refused to see the cabinet and appeared to be accepting only the counsel of her private secretary and Lopez Rega protege, Julio Gonzalez. Gonzalez had been seeking to enhance his power by having Robledo fired, a move that would have exhausted the patience of military and civilian groups in opposition to Peron. Robledo is the one man in which all factions still have some confidence. By acknowledging Robledo, Peron has indicated her willingness to rely on the more acceptable groups in her late husband's political movement. She has so far resisted demands to fire Gonzalez, however, suggesting that her shift to Robledo may be tactical and subject to future political machinations.

For his part, the interior minister has publicly assured Peron's critics that her health is sound and that a medical examination is not required to determine her fitness to remain in office. Privately, Robledo has promised to control Peron and create an honest and effective government, but his ability to deliver on such a promise is doubtful. Indeed, the President has already taken steps to block a congressional investigation of high-level corruption that could well incriminate her.

Although Peron's moves have produced a new sense of harmony, this will probably be transitory. Unless real power is gradually shifted to Robledo and other respectable Peronists, the vacuum that has existed in the executive branch since July will continue. The military, meanwhile, continues to watch developments, and its abhorrence of Peron is becoming increasingly evident.

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ANNEX

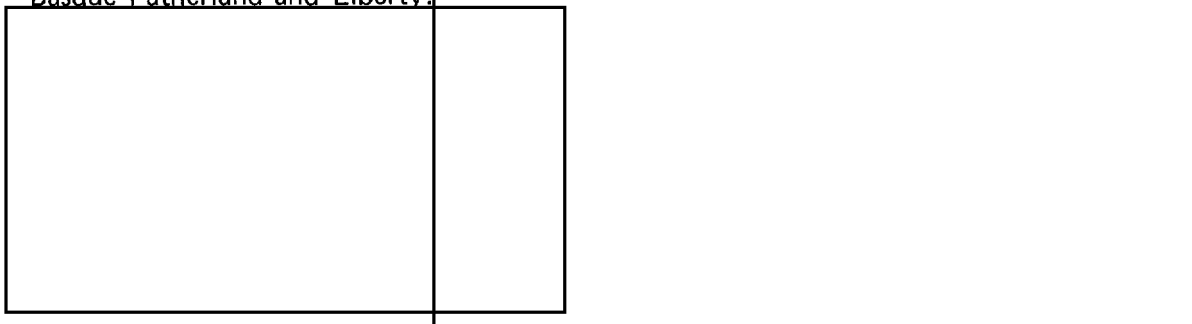
Juan Carlos and the Challenge of Terrorism in Spain

Juan Carlos' most pressing problem as King of Spain will be to satisfy those who are expecting substantial reform and not to alienate those who oppose all change. Although compromise is always possible with established political forces, the no-quarter tactics of Spain's assorted terrorist groups virtually guarantee that at least some of them will challenge him, no matter what policy he pursues.

There are three main currents of Spanish terrorism: regional nationalism, the ultraright, and the extreme left. Each pursues different, at times conflicting, goals. Violence is the only common thread among them. Since 1968, terrorism has claimed the lives of at least 100 Spaniards, approximately one third of whom were terrorists themselves. More than half the fatalities have occurred in the past two years, and since mid-October, hardly a day has passed without at least one terrorist incident.

The Basques

Much of the violence is attributed to a small guerrilla organization called Basque Fatherland and Liberty.



Most of the population of the four Basque provinces in the northwest does not condone violence; not all Basques are convinced that the militants' goal of independence is desirable. Many would be satisfied with some autonomy, particularly in economic and cultural matters. The people of two of the Basque provinces, Alava and Navarra, are much less restive than those in the other two. Alava and Navarra have greater administrative privileges and financial independence—tax earnings, for example, are not sent to Madrid—than any other Spanish province. These privileges were a reward bestowed by Franco for help during the civil war.

On November 11, the cabinet ordered the preparation of a new administrative statute for the other Basque provinces. Although the news was favorably received, another decree authorizing the teaching and use of minority languages had less

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appeal. The Basques felt this action did not give them anything that was not rightfully theirs and were further irked by a clause confirming that Castilian Spanish is the country's official language.

Basque nationalism is, in any case, a minority movement in the Basque region. Industrialization of the area during the past two decades has attracted an annual average of 20,000 workers from other parts of Spain. Today, less than half of the 3 million inhabitants of the four provinces are of Basque origin.

The Basque Nationalist Party is more representative of the Basque population than the Fatherland and Liberty group. The Nationalist Party is cast in a Christian Democratic mold and emphasizes both democratic and Basque traditions. It is the best organized and most experienced political group in the area

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The Catalans

Similar, but less intense, sentiment in favor of autonomy exists in the four northeastern provinces that make up Catalonia. When the economy of the area prospers, as it has for more than a decade, little serious talk is heard about separatism. Catalans in general appear more attracted to commerce than to politics. Barcelona, for instance, rivals Madrid in size and is Spain's most important industrial and commercial center. Catalan industrialists are reluctant to support movements that might disturb their business in other Spanish provinces.

Catalan political opposition groups are divided and ineffective. Most are led by aging people who have little appeal to the young. The Unified Socialist Party of Catalonia—an affiliate of the Communist Party—has been the most prominent recently. It joined the Communist-dominated Democratic Junta last year and recently demanded the release of all political prisoners and the establishment of provisional governments for both Spain and Catalonia. Extremist groups do not operate on a large scale. The best known, Red Flag, has connections with the Communist Party

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Right and Left

Spain's political outlaws are not confined to the far left; terrorists are quite strong on the far right. Before Franco died, a group calling itself the Death Commandos warned 17 prominent Catalans associated with reform groups to leave Spain within 24 hours after the general's death or face assassination.

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The Spanish National Socialist Party—complete with swastika—has operated in Madrid and Barcelona for a number of years

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Another group, the Guerrillas of Christ the King, has gained considerable notoriety because of its vigilante-style campaign against Basque terrorists. In recent months, the group has executed several Basques in retaliation for terrorist assassinations of Spanish policemen. It has also caused diplomatic problems with France because of raids across the border looking for Basque exiles. Over the years, the group has been equally hostile toward any other group that favored altering Franco's system.

Under Franco, Spanish ultraright groups had the advantage of operating as fairly open, quasi-legal entities tolerated by the regime. Right-wing extremists have been interviewed in the press

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The ultrarightists have a political arm called New Force. Led by Blas Pinar, who was prominent in the civil war, the organization denounces any deviation from the principles Franco set out in 1936. It therefore is basically anti-monarchical and presumably will oppose Juan Carlos.

Over the years a variety of far-left anarchist groups have appeared. Most have faded away without making much impact, victims of internal disputes or government suppression. The Anti-Fascist and Patriotic Revolutionary Front is an important exception.

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The Front's deep-seated animosity toward the US also poses a threat to US property and US citizens in Spain.

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A Virtual Certainty

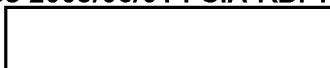
Political violence is virtually certain to be a problem for Juan Carlos. If, as seems likely, he allows freer political expression, the far left will not be satisfied and the ultraright will be outraged. To the extent that Spanish society becomes more open and more tolerant of dissent, the prospects of the terrorists' rallying support will dwindle.

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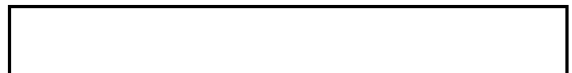
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Juan Carlos will very likely still have trouble dealing with terrorism. If the government pursues left-wing fanatics with more vigor than it does the fanatics on the far right, Juan Carlos will be accused of perpetuating the Franco system. If the crackdown is applied in an even-handed manner, the King will risk losing the whole-hearted support of a large part of what is now the Spanish ruling class.



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